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UNITED NATIONS COUNCIL FOR NAMIBIA

REPORT OF THE DELEGATION OF THE UNITED NATIONS COUNCIL FOR NAMIBIA TO THE FORTY-SECOND WORLD HEALTH ASSEMBLY, HELD AT GENEVA FROM 8 TO 19 MAY 1989

1. The United Nations Council for Namibia participated, in its capacity of associate member, in the Forty-second World Health Assembly, held at Geneva from 8 to 19 May 1989. The Council was represented by Mr. Gordon H. Bristol (Nigeria).

2. The World Health Assembly held both plenary and committee meetings. The agenda of Committee B included item 30.5, "Liberation struggle in southern Africa: assistance to the front-line States, Lesotho and Swaziland", which was directly relevant to the question of Namibia. Under that item, resolution WHA41.23 1/ and the report by the Director-General of the World Health Organization (WHO) dated 19 April 1989 on collaboration within the United Nations system: liberation struggle in southern Africa - assistance to the front-line States, Lesotho and Swaziland, and to Namibia and national liberation movements in South Africa 2/ were made available.

3. In his report, the Director-General disclosed, inter alia, that WHO support for Namibia had been provided to Namibians living as refugees outside the Territory. Two workshops had been held, one on country health programming for an independent Namibia (1980) and the other on the managerial process for national health development (1984). In the 10-year period 1979-1988, WHO awarded 81 fellowships to Namibians for training in various health fields. Sixty-one recipients were women and 20 were men. The trainees included 5 physicians, 33 nurses, 3 sanitary engineers and 40 other staff in health-related fields. In 1988, a total of five fellowships were awarded for training in public health administration and environmental sanitation. The regular budget allocation for Namibia for the biennium 1988-1989 amounted to $US 706,000.

4. Two resolutions were adopted under agenda item 30.5. Resolution WHA42.18, entitled "Reconstruction and development of the health system of Namibia", was adopted by consensus, by Committee B on 16 May and by the plenary on 17 May 1989. In the resolution, the World Health Assembly, inter alia, welcomed the process of

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implementation of Security Council resolution 435 (1978) of 29 September 1978; urged States members of WHO to adopt forthwith the necessary measures to support fully the reconstruction and development of the health system of Namibia; and requested the Director-General to provide technical co-operation and the necessary assistance, including a WHO mission to evaluate the health situation in Namibia, and, in the light of its findings, to establish an initial programme of health assistance for Namibia and report to the Forty-third World Health Assembly. Finally it called on the specialized agencies and organizations of the United Nations and the intergovernmental and non-governmental organizations to provide all the necessary support and co-operation for this endeavour.

5. In resolution WHA42.17 of 17 May 1989 entitled "Liberation struggle in southern Africa: assistance to the front-line States, Lesotho and Swaziland", the Forty-second World Health Assembly resolved, inter alia, that WHO should continue: (a) to take appropriate and timely measures to help the front-line States, Lesotho and Swaziland to solve the acute health problems of the South African refugees; and (b) to provide countries which are or have been targets of destabilization by South Africa with technical co-operation in the health field, for the rehabilitation of their damaged health infrastructures. The Assembly called upon the member States, according to their capabilities, to continue to provide adequate health assistance to liberation movements recognized by the Organization of African Unity and to the front-line States (Angola, Botswana, Mozambique, United Republic of Tanzania, Zambia and Zimbabwe), and Lesotho and Swaziland. The resolution was adopted by a vote of 94 in favour and 1 against (United States of America), with 1 abstention.

6. On 16 May 1989, the Regional Director of WHO for Africa announced in Committee B that a joint mission comprising officials from WHO headquarters and the WHO Africa Regional Office had been dispatched to Namibia on 15 May to assess the health situation of the Territory.

7. After the adoption in Committee B of the resolution on Namibia, the representative of the United Nations Council for Namibia made a statement in which he thanked the sponsors and all the delegations present for adopting the resolution by consensus. He drew attention to the process of transition to independence currently under way in Namibia, a process which unfortunately had suffered some initial difficulties. He also underscored the enormous assistance required by the people of Namibia in the health sector, both during the period of transition and after independence, and drew particular attention to the health needs of the estimated 58,000 Namibian refugees and exiles due to be repatriated to Namibia during the period of transition to independence.

8. The representative of the Council also stated that an independent Namibia would require much assistance, not only in the training and development of all categories of health manpower but also in the development, rehabilitation and improvement of its health infrastructure. The role of WHO in achieving these objectives and, consequently, the need to increase the budgetary allocation for Namibia from the present $US 706,000 approved for the 1988-1989 biennium could not, therefore, be over-emphasized. Although welcoming the dispatch of the Joint Mission of WHO to Namibia, he expressed the hope that the international community would assist in the realization of the present and future health needs of the

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people of Namibia. In conclusion, he thanked the front-line States for the sacrifices they were making in sharing the health and other burdens of the Namibian people.

9. The Forty-second World Health Assembly took far-reaching decisions on a number of items relevant to the promotion of health universally. Efforts should be made to monitor the implementation of resolution WHA42.18 on Namibia and the findings of the Joint Mission of WHO to Namibia. Upon independence, the status of Namibia should be upgraded from associate member to full member of WHO. Should there be a need for the Council to attend the Forty-third World Health Assembly, at least two representatives of the Council should be dispatched to ensure full coverage of both the plenary and the committee meetings.

Notes

1/ WHA41/1988/REC/1, p. 19.

2/ A42/20.

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FINAL DOCUMENT OF THE SEMINAR ON THE INTEGRATION OF NAMIBIA INTO THE REGIONAL STRUCTURES FOR ECONOMIC CO-OPERATION AND DEVELOPMENT IN SOUTHERN AFRICA, HELD AT HARARE FROM 23 TO 27 OCTOBER 1989

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INTRODUCTION

1. Pursuant to General Assembly resolution 43/26 C of 17 November 1988, the United Nations Council for Namibia organized the Seminar on the Integration of Namibia into the Regional Structures for Economic Co-operation and Development in Southern Africa, which was held at Harare, Zimbabwe, from 23 to 27 October 1989. The Seminar was the second in a series to be organized by the United Nations Council for Namibia in accordance with its programme of work for 1989.

2. The purpose of the Seminar was to assess areas of Namibia's economic dependence on South Africa; to develop plans and programmes intended to reduce such dependence in the context of the Southern African Development Co-ordination Conference (SADCC) and other regional structures for economic co-operation and development in southern Africa; and to define and assess priority areas for international assistance in the implementation of these measures and programmes.

3. The Seminar was formally opened by H.E. Mr. Simon Muzenda, Acting President of Zimbabwe. In his opening statement, Mr. Muzenda expressed gratitude to the United Nations Council for Namibia for taking the initiative to prepare for independent Namibia's membership of SADCC and for its untiring efforts to move Namibia towards independence. He noted that the SADCC Secretariat and the United Nations Institute for Namibia had formulated proposals for activities in preparation for Namibia's independence which had been approved by the SADCC Council of Ministers in August 1989. The Acting President concluded by imploring the participants in the Seminar to ensure that programmes designed for Namibia's participation in SADCC should aim at the fulfilment of the goals and objectives of SADCC, namely, the reduction of dependence particularly but not only on South Africa; the development of regional co-operation and forging of links for equitable regional integration; the campaign to secure international co-operation for the implementation of SADCC's regional development projects; and the mobilization of the region's resources in order to put into effect SADCC's strategy for economic liberation and development.

4. The President of the United Nations Council for Namibia, H.E. Lt.-General Peter D. Zuze, also addressed the opening meeting of the Seminar. In his remarks, the President of the Council expressed gratitude, on behalf of the Council, to Zimbabwe for hosting the Seminar and for its unswerving support for Namibia. He noted that the Council viewed the Namibian struggle for independence as being both political and economic. On the political front, he noted the progress made since the commencement, on 1 April 1989, of the implementation of Security Council resolution 435 (1978), which embodied the United Nations plan for the settlement of the Namibian question.

5. On the economic front, he pointed out that the Council for Namibia had always sought to ensure that Namibia, being a direct responsibility of the United Nations, must be assured of future social and economic viability and stability. He stressed that to achieve that, massive international support must continue to be mobilized and co-ordinated both for the transitional period and the initial period after independence in order to ensure the availability of a minimum level of basic infrastructure, skills and other services for Namibia's national reconstruction and

development. In this regard, he drew the attention of the Seminar to the fact that the Council had adjusted its work programme for 1989 to emphasize the mobilization of technical and development assistance for the future independent Namibia.

6. The President of the Council outlined the main areas of Namibia's dependence on South Africa and emphasized the imperative need to design programmes which address the matter within the framework of SADCC and other institutional arrangements of economic co-operation and development in the region. He urged the Seminar to produce a sound and thorough programme of action for integrating Namibia into the regional economy and for the mobilization of international assistance to implement such a programme of action.

7. The participants in the Seminar included representatives of member Governments of SADCC, relevant specialized agencies of the United Nations system, regional and international organizations as well as individual Namibian and other experts with special experience in the various sectors of the Namibian economy. The list of participants appears in annex I.

8. The deliberations of the Seminar focused on the assessment of Namibia's dependence on South Africa and the examination of ways and means of reducing such dependence after the country's independence in the important areas of mining, agriculture and food security, fisheries, industry, energy, transport and communications, manpower, trade, and water development and in the financial and monetary sectors, as well as the articulation of strategies for the forging of links with the regional economy, particularly within the framework of SADCC.

9. The Seminar had before it three general background papers which made an assessment of Namibia's overall economic dependence on South Africa and highlighted the issues of regional economic integration and co-operation: "The Integration of Namibia into the Economic Structures of SADCC" by S. K. B. Asante and W. W. Asombang; "Regional Economic Integration Options for Independent Namibia" by Ngila Mwase; and "Regional Economic Integration and Co-operation with Special Reference to Namibia" by Daniel B. Ndlela. In addition, 24 sectoral and position papers were submitted by experts and representatives of specialized agencies of the United Nations system and other organizations and bodies, which made detailed reviews and assessments of Namibia's dependence on South Africa, the nature of such dependence and the implications for the development of the economy under various disengagement strategies. The list of conference room papers is contained in annex II.

10. The overall conclusion which emerged from the above presentations was that Namibia's economic dependence on South Africa is almost total. The integration of its economy into that of South Africa is perhaps unparalleled in southern Africa. Therefore reduction of economic dependence on South Africa by independent Namibia will not only be difficult but may be a long-term exercise. However, since there is no natural dependence, the prospects for independent Namibia's eventual reorientation of its economic activities to strengthen regional co-operation are good. The country should benefit from the cumulative experiences gained by the SADCC countries and other regional institutions in designing programmes intended to reduce economic dependence and promote economic self-reliance.

I. OVERVIEW: NAMIBIA'S ECONOMIC DEPENDENCE ON SOUTH AFRICA AND STRATEGIES FOR REGIONAL INTEGRATION

11. The three general background papers by Messrs. Asante and Asombang, Mwase and Ndlela reviewed the overall structures of Namibia's economic dependence on South Africa and their implications for national development and highlighted the issues of regional economic integration and co-operation. The Seminar reviewed what was termed the "loaded inheritance" in Namibia by which the independent government of Namibia will have to grapple with almost total domination by South Africa of the country's economy and infrastructural services.

12. The Seminar noted that the Namibian economy is interwoven with that of South Africa. The key sectors of the economy, namely, mining, agriculture, fisheries and the related services are either owned or controlled by South African companies or foreign investors. The mining industry in particular is almost wholly owned by South African corporations or their subsidiaries. Many corporations which exploit Namibia's resources conduct their operations using licences issued by South Africa. Close to 95 per cent of Namibia's imports come from or through South Africa (60-75 per cent originate directly from South Africa) and up to 90 per cent of its exports go to or through South Africa. The transport and communications services and the only significant and viable port, Walvis Bay, are largely owned and/or controlled by South Africa, and in many cases fully integrated into the South African system. Namibia's oil and coal supplies come from South Africa, and so does a significant number of senior skilled personnel. The Territory was co-opted into the Rand Monetary Area (RMA) and the South African Customs Union (SACU), structures which inhibit Namibia from pursuing independent monetary and trade policies. Despite the creation, in recent years, of semi-autonomous bureaucratic structures, key decisions affecting the economy are made in South Africa, reflecting that country's own priorities. Namibia has no independent central bank and therefore capital and financial flows are not regulated in any systematic manner. Foreign exchange management and external transactions are carried out, on behalf of Namibia, by the South African Reserve Bank. External trade transactions are subject to SACU rules and regulations.

13. The background papers placed Namibia in a broader regional context. The Seminar noted the trend of the past 10 years in Africa of regional economic integration, beginning with the establishment of SADCC and the Preferential Trade Area (PTA) for Eastern and Southern African States. The Lagos Plan of Action for the Implementation of the Monrovia Strategy for the Economic Development of Africa, adopted by the Assembly of Heads of State and Government of the Organization of African Unity (OAU) in April 1980, 1/ predicts optimistically the establishment of an African common market by the year 2000. Independent Namibia would not be expected to exist in isolation from these structures of regional co-operation.

14. Therefore, independent Namibia will have the option of joining SADCC and PTA. Such an economic integration would benefit Namibia by, inter alia, enabling it: (a) to attain greater economies of scale resulting from its direct links with the other economies of the region, (b) to rationalize the location and relocation of its economic production units, and (c) to promote specialization in production and operational efficiency. By belonging to these regional structures Namibia would

also reduce its external dependence and the vulnerability of its economy. In addition, the move would boost independent Namibia's bargaining power in the world economy and enhance its Pan Africanist and South-South "collective self-reliance". Moreover, such regional economic co-operation would also promote the necessary internal structural transformation of the Namibian economy as it responds to the demands of the broader regional market.

15. Reflecting on the experiences of the defunct East African Community, the Seminar noted the problems which arise in the sharing of benefits resulting from regional integration. It was considered, however, that the basic requirement for enduring regional economic co-operation was the ability to harmonize policies which minimize disputes with respect to the distribution of benefits and promote the adoption of a common economic development strategy.

16. In this context, the Seminar noted that Namibia's current links within SACU and RMA did not constitute equitable regional economic co-operation in that the two structures are biased towards the more advanced South African economy. Continued membership of SACU would result in Namibia's experiencing large trade imbalances, unequal distribution of benefits, and loss of control over indirect taxation and overall fiscal policy. Its continued membership in the RMA would deprive Namibia of the power to pursue an independent monetary policy and foreign exchange régime, which would be essential for the purposes of restructuring the economy and monetary system following independence.

II. MINING SECTOR

A. Nature and scope of dependence

17. The Seminar noted that there are three main types of mining in Namibia, namely:

(a) Diamond mining in mines operated by Consolidated Diamond Mines (CDM), a De Beers subsidiary. The latter is owned by the Anglo American Corporation of South Africa;

(b) Uranium mining carried out by Rössing Uranium owned by the Rio Tinto Zinc Corporation of Great Britain with a substantial shareholding by the Industrial Development Corporation (IDC) of South Africa and the Afrikaner-owned mining house, General Mining and Finance Corporation (GMFC);

(c) Silver and copper mining operated by the Tsumeb Corporation, which is controlled by Britain's Consolidated Gold Fields (CGF) through Golds Fields of South Africa. However, it is understood that CGF sold its shares to South African companies. The Iron and Steel Corporation of South Africa (ISCOR) also plays a significant role in the exploitation of zinc and tin mining ventures.

18. With regard to the general issues involving the mining policy and legislation, the Seminar found that a number of factors had already impacted on the mining industry, including:

(a) Minimal regulations have resulted in considerably uncontrolled exploration and mining activities;

(b) Generous fiscal and investment policies have been applied especially with respect to recovery provisions such as tax holidays, tax-carried-forward losses and deductible capital losses. Insufficient income tax has been paid by mining companies because of the absence of a properly organized tax collecting machinery which is not directly or indirectly controlled by South Africa;

(c) No royalties have been paid and land rentals have been low;

(d) The danger of increased smuggling, especially in the case of diamonds, can pose a serious threat to the life of the mines;

(e) Very rudimentary safety and environmental controls which amount virtually to self-regulation by some mining companies.

19. The role of transnational corporations in Namibia's mining sector will be one of the first priority issues facing the independent government of Namibia. This is not only because of the controversy generated over the activities of transnational corporations under South Africa's illegal occupation, but more particularly because of the extent of Namibia's dependence on existing and future investments for its development efforts. The Seminar felt that this issue would have to be viewed in the context of the general posture of the new Namibian government towards foreign investment. This will be determined by the government's overall economic policies and its development programme, strategies and priorities. At a broader level, decisions will need to be taken on a wide range of issues including the establishment of government ministries and other public agencies, land reform, manpower needs for the public and private sectors and the extent of State involvement in the economy generally and the mining sector in particular. While most of these areas will contribute to shaping the country's overall investment climate, the focus will be on the government's options with regard to the restructuring of existing investment agreements in the mining sector to ensure their compatibility with the development needs of the country and particularly to reduce the country's dependence on South Africa.

20. In the case of manpower and training, the Seminar noted that middle to senior managerial positions in the mining sector are filled by expatriates through a process of appointments from the head offices of the major mining companies in South Africa. There is a lack of adequate training for skilled and professional indigenous Namibian staff. Labour relations are equally poor as there is a lack of proper protection against victimization and industrial contamination of mine workers.

21. The Seminar reviewed the marketing arrangements of mining products, particularly the incidence of stockpiling of vast quantities of Namibian diamonds outside the country. It noted that diamond marketing and exports are controlled by the Diamond Board of Namibia, on which De Beers is represented. However, the De Beers-controlled Central Selling Organization (CSO) based in London exercises near-monopoly powers over the global diamond market, including production from

Namibia. Likewise in the case of uranium, gold and copper, the marketing arrangements are in the hands of the Rio Tinto Zinc Corporation and the Consolidated Gold Fields Group (and recently, the Hanson PLC), respectively.

B. Conclusions and recommendations

22. The Seminar concluded that Namibia's mineral resources are owned and exploited by South African companies and other foreign investors. The lack of proper policy and regulatory mechanisms means that inadequate benefits from the mining sector, such as tax revenues, accrue to the country and its people.

23. The Seminar therefore recommended the following:

(a) An independent Namibia should participate actively in mining through joint venture agreements and/or management contracts. International organizations and agencies fully experienced in these fields can assist the newly independent government in negotiating or renegotiating their mineral agreements to provide for such Namibian participation.

(b) Namibia should promulgate a new mineral act which would set the framework for managing, regulating and promoting the development of the industry. The act should empower the Department/Ministry of Mines to control and regulate mining activities. Further, a geological survey department should be created under the Department of Ministry of Mines to serve as the focal point for the government's mining policies with respect to the collection of data of the country's mineral resources including geological maps in the possession of South African authorities and private companies.

(c) The new government should examine and reassess mining concessions given to mining companies during the South African occupation with a view to restructuring them to the benefit of the government of Namibia. In this regard, international technical assistance agencies stand ready to provide the necessary services.

(d) The government should establish an elaborate investment code that will provide incentives to investors in the mining sectors. Namibia should also establish a new fiscal régime which will provide and regulate royalty payments. land rentals and income and corporation taxes.

(e) The government should create the machinery for local mineral processing to increase local value added and/or expanding on existing facilities as well as the development of secondary industries.

(f) The government should establish a national board to control and regulate the activities of transnational corporations with regard to the flow of information on the industry. International technical assistance agencies would assist in monitoring the progress of agreements and carrying out studies to enhance the capacity of mining institutions/companies to handle new mining developments.

(g) The government should create marketing corporations to manage, control and regulate the marketing of Namibia's minerals.

(h) The government should train Namibian personnel to fill skilled professional and managerial posts. International assistance agencies have expressed willingness to undertake and/or sponsor training programmes, and provide fellowships and study tours to other mining establishments within and outside the region. They can also sponsor Namibian personnel on practical training attachments especially in other African countries with considerable experience in mining ventures.

(i) The government should approach technical assistance agencies and utilize their offer to provide operational experts, advisers and consultants for assignments in areas and fields where local expertise is not available.

III. AGRICULTURE AND FOOD SECURITY

A. Nature and scope of dependence

24. Namibia is a captive market producing and exporting raw materials and receiving finished products from South Africa. Livestock products and karakul pelts are produced with government support while the production of cereals and other food crops is discouraged and they must therefore be imported from South Africa. Therefore Namibia is a country which produces agricultural commodities it does not consume and consumes what it does not produce.

25. The following agricultural input supplies and essential services needed to maintain the productive capacity of Namibia also come from South Africa:

(a) Supplies of essential inputs such as machinery, equipment, agro-chemicals, veterinary drugs and animal feeds required to maintain the commercial enterprises in the country;

(b) Agricultural services such as research, subject-matter specialists and processing facilities for livestock and animal feeds;

(c) Marketing of products and by-products from commercial enterprises is carried out mainly through meat and karakul boards in terms of South African quotas, prices and procedures;

(d) Provision of credit is done by commercial and agricultural banks which are branches of South African banks;

(e) Food commodities, including cereals, are supplied from South Africa.

B. Conclusions and recommendations

26. The Seminar concluded that it is important and beneficial to Namibia as a sovereign State to reduce its dependence on South Africa, particularly in the agricultural sector, in order to enable the country to achieve food security and self-reliance. At present there are two distinct patterns of agricultural activities - capital-intensive commercial farming, which employs modern and advanced farming technologies, and labour-intensive traditional, subsistence farming. These two systems must be integrated and restructured so as to enable the agricultural sector to become responsible to the country's food needs, particularly for local consumption.

27. The Seminar recommended as follows:

(a) In order to reduce Namibia's current dependence on South Africa in the area of agriculture and food security, it is recommended that an independent government should move quickly to introduce agricultural policies which would:

(i) Increase and diversify food crop production;

(ii) Integrate and diversify the livestock and crop production subsectors;

(iii) Create opportunities for employment and carry out income-generating activities;

(iv) Increase local value added to locally produced agricultural goods through agricultural food processing.

(b) Appropriate agricultural institutions and structures should be established to provide relevant support services such as research, agricultural extension, training, credit, marketing, appropriate price incentives, and supplies of inputs such as seeds and fertilizers.

(c) Land reform programmes should be carried out with emphasis on management for agricultural purposes and on rural settlement, particularly for displaced persons and returnees.

(d) Rural development programmes should be formulated and implemented with the collaboration of the rural population including women, with emphasis on accessibility to rural and production areas, structures and systems for production marketing and storage of food and establishment of cottage industries for employment and income.

(e) Transport and communication networks should be established within the country and links established with other countries in the subregion.

(f) Programmes should be formulated and implemented to ensure accessibility to food supplies through:

(i) Creation of employment opportunities, income-earning activities both in urban and rural areas;

(ii) Establishment of adequate structures and systems for storage and distribution of food supplies, particularly for urban areas.

(g) Programmes should be designed and carried out to ensure that small-scale producers, particularly women, have access to supplies of essential inputs.

(h) An early warning and food information system should be established to monitor food production and supplies and the nutritional status of vulnerable groups.

(i) Namibia's regional integration should be fostered in the following areas:

(i) As part of Namibia's strategy to reduce dependency on South Africa, the government should establish co-operating arrangements with countries in the region and regional groups such as SADCC, PTA and the African-Caribbean-Pacific-European Community (ACP-EC);

(ii) Namibia should be linked to an early warning and food information system for food security at the regional level, e.g., SADCC's Regional Early Warning System for Food Security;

(iii) Operational and buffer stocks of food commodities should be established for use in the event of disruption of supplies or acute food shortages, e.g., under SADCC's Regional Food Reserve Programmes, and through use of preferential trade arrangements facilities;

(iv) Production of crops and livestock (small ruminants) should be increased through provision of high-yielding varieties (e.g., sorghum millet) and veterinary and animal husbandry services, such as those under SADCC's Regional Seed Production and Supply Programme and Regional Livestock Programme, respectively.

(j) Namibia's beef and other livestock products should have access to international markets, e.g., through Namibia's membership in the ACP regional group.

28. The Seminar also noted the valuable and useful support which the relevant specialized agencies and other bodies within the United Nations system would provide to assist the government of Namibia to implement the above recommendations.

IV. FISHERIES

A. Nature and scope of dependence

29. The Seminar noted that traditionally, marine fishing has been Namibia's third most important economic sector, after mining and agriculture. If properly managed, fisheries represent an important self-renewing resource and one of Namibia's most important prospects for industrial development. Fisheries contributes as much as 20 per cent of exports and is one of the major segments of the industrial sector. It has been an important source of jobs, and there is significant room for expanded employment, particularly in the more labour-intensive fish processing sectors. Paradoxically, pelagic fish generally are not offered for sale in Namibia; instead fish is used to produce fish-meal or fertilizers, while some is tinned for export. Despite protein deficiency found in many areas, fish as a source of protein has not been widely used.

30. The cold waters of the Benguela current off Namibia's coast produce a rich fisheries area. Some of the world's largest stocks of pilchards (sardines), anchovies, tuna, cod, maasbanker and mackerel are found in these waters. Indeed, in mid-1979 Namibia was the world's largest producer of canned pilchards. Large-scale, capital-intensive operations based in Walvis Bay, which is under claim by South Africa, began to expand during the 1950s and 1960s. However, overfishing by South African trawlers - and to a lesser degree other foreign trawlers - in the late 1970s dramatically reduced a number of species, especially pilchards which are traditionally the most important catch.

31. Virtually the whole fishing industry (including processing, fleet repair facilities and general infrastructure) is located in the enclave of Walvis Bay, and to a lesser extent Lüderitz, both situated on Namibia's remote and desolate coast. Rock lobster processing, seal pelt preserving and seaweed processing are located in Lüderitz, while the vast majority of everything else is found at Walvis Bay.

B. Conclusions and recommendations

32. The Seminar concluded that, assuming Walvis Bay and the 12 offshore islands are not quickly reincorporated into independent Namibia, a new fishing base would be needed in order to lessen Namibia's overall economic dependence on South Africa. The costs of such a move would be high. There would be several options for Namibia such as to create a new fishing town in the north; to explore using one of Angola's fishing towns as a temporary measure; or, most likely, to develop the shallow port of Lüderitz in the south. However, there are no containerized loading facilities or large storage facilites and, owing to hard bed rock and shallow bay, the port of Lüderitz cannot handle deep water vessels. A final alternative would be to establish extensive offshore facilities which would be capable of sustaining the processing (reduction, freezing and canning). However, such a course would be almost prohibitively expensive and would require substantial foreign support, either in the form of private equity interests or foreign economic assistance. The first approach would do little to lessen Namibia's dependence on outside capital, a goal the new government will no doubt want to pursue.

33. The Seminar therefore recommended that:

(a) A national fishery administration should be established after independence;

(b) A 200-nautical mile Exclusive Economic Zone (EEZ) should be declared and Namibia should join the International Commission for South East Atlantic Fisheries (ICSEAF);

(c) Strict resource management should be introduced and enforced, including surveillance and regulations;

(d) Sufficient amounts of fish for food at low cost should be provided to the Namibian population (including using refrigerated transport to interior areas);

(e) Alternative fishing harbour sites should be investigated, paying special attention to Lüderitz;

(f) Negotiations should be entered into with foreign and domestic fishing companies with a view to reaching preliminary and temporary agreements on fishing of surplus resources and possibly on joint ventures in processing;

(g) Personnel should be trained for the whole fisheries sector;

(h) Preparatory phases should be undertaken of programmes to develop the national fisheries sector, with emphasis on small-scale enterprises;

(i) Namibia should participate fully in relevant SADCC-supported, marine resources development initiatives.

34. In this regard the Seminar noted that specialized agencies and other organizations and bodies within the United Nations family would play a key role in the development of Namibia's fisheries and marine resources. Namibia would need assistance, particularly in the area of training in fish processing, managerial assistance and pre-investment studies for establishing fish processing and cold storage facilities, and production of operating equipment such as boats and gear.

35. Assistance will also be needed in the development of capital-intensive deep sea fisheries and labour-intensive fishing for the following: near-shore areas; port and infrastructure development; training in marine resources and research; industrial workforce guidance; identification of potential coastal tourism areas; establishment of marine pollution standards, maritime assistance, as well as environmental guidelines; and training of local Namibians in negotiating joint-venture agreements and/or management contracts in the fishing industry.

V. INDUSTRIAL DEVELOPMENT

A. Nature and scope of dependence

36. The Seminar reviewed the structure of the manufacturing sectors in Namibia and various industrial strategies for growth and development needed in order to reduce the country's economic dependence on South Africa and foster the regional integration of its manufacturing sector.

37. The analysis focused on the review of industrial priorities and prospects, problems of the early stages of industrialization, integration of Namibia into the regional structures and the role of technical assistance to be rendered by the United Nations system in these areas.

38. It was demonstrated that Namibia's low level of manufacturing relative to gross domestic product (GDP) was easily consistent with the economy's orientation towards primary production for export, principally diamonds, uranium and base metals.

39. It was noted that Namibia's manufacturing sector was small for a number of reasons, namely, the lack of natural material inputs, limited markets and the remoteness of those markets, little water, high energy costs, high transport costs and the lack of an educated entrepreneurial class. Although these were important reasons, they did not explain sufficiently the structure of the colonial policies which created a dependency relationship in the manufacturing sector. South Africa, over the years of its rule, had developed a number of strategies to promote and ensure this dependency, particularly the fact that Namibia's industrial sector was deliberately designed to serve the economic interests of South Africa. For example, the large South African industrial sector has had unrestricted access to Namibia and has often undercut prices whenever Namibian firms tried to produce specific goods. South Africa's manufactured "exports" can be transported to Namibia via a parastatal at concessionary rates, thus also undercutting real and potential Namibian competition.

B. Conclusions and recommendations

40. The Seminar concluded that in order for Namibia to reduce its economic dependence on South Africa and to enhance the country's degree of regional industrial integration, a number of priority issues should be addressed by the future government of Namibia in the areas of industrial human resources development, institution-building, small-scale industrial development, maintenance and strengthening of the existing industrial base, industrial diversification and expansion, and active participation in regional industrial development programmes.

41. Accordingly the Seminar recommended that:

(a) The government of Namibia should promote the improvement of skills and broadening of experience of high-level technical, managerial and administrative personnel engaged in industry or in other public and private agencies,

organizations or institutions related to industry and its development. This should include upgrading the managerial skills of medium-level, industrial enterprise management personnel and the skills of technical personnel at the foreman level and below.

(b) Government institutions should be established and upgraded to administer the development of the industrial sector and provide relevant industrial policy and industrial development strategy advice. An industrial development corporation and an industrial development bank should be established, taking fully into account the existing First National Development Corporation (FNDC). The two institutions should render financial and technical assistance to both large-scale, capital-intensive industries and the medium- and small-scale industry sector, including informal activities.

(c) Small-scale industrialization in the densely populated north of the country, hitherto neglected by South Africa, should be rapidly strengthened in order to correct regional imbalances in industrial development, to raise local per capita incomes by creating jobs where they are most needed, and to enhance the economic self-sufficiency of the rural population in the north.

(d) Local entrepreneurship should be developed by helping to establish industrial micro-businesses which lend themselves to financial support through character loan schemes.

(e) The existing agro-industry sector should be strengthened to keep its operations going after independence and to secure continued supply of the essential products for the expanding local demand as a result of the increasing number of returnees and improvement in the employment and income structures.

(f) Subsectoral surveys should be conducted to identify prospects for enterprise development in the field of import substitution and other areas, particularly in fish processing, meat processing, diversification of dairy products, leather manufacturing, wool processing, can production, oil-seed crushing, production of animal feed, production of organic fertilizers, establishment of a local cement industry, mineral processing on a small-scale basis, including the production of construction materials other than cement, and other priority industries to be identified by the future government of Namibia. This should also include the preparation of the relevant industrial studies dealing with industrial opportunity, pre-feasibility and feasibility aspects as well as investment follow-up, with respect to both national and international joint ventures. The diversification and/or expansion of the industrial base along these lines should have as its primary objective the meeting of local demand and providing for export earnings in the industrial sectors.

(g) Namibia should participate in regional industrial technical assistance programmes and projects under the auspices of SADCC and PTA, particularly in the sectoral co-ordination of industrial development. Such participation will be beneficial to Namibia and the region. Moreover, Namibia could consider joining regional organizations and institutions which address the industrial needs of the States members of SADCC and PTA, which include the African Regional Standardization

Organization (ARSO); the African Regional Centre for Engineering Design and Manufacturing (ARCEDEM); the Regional Petroleum Training Centre at Sumbe, Angola; and the Regional Environmental Testing and Tropicalization Centre for Telecommunications Equipment (still to be established).

42. The Seminar was of the view that, as a matter of principle, there should be close co-ordination and co-operation among the various specialized agencies of the United Nations system rendering financial and technical assistance to Namibia in the coming years to avoid duplication of efforts and increase the impact and leverage of programmes by making them complementary to each other wherever possible.

43. It was proposed, in this regard, that a multi-faceted fact-finding mission in industry should be fielded soon after the November 1989 election. Such an effort would aim at accomplishing the following tasks:

(a) Preparation of an in-depth industrial sector survey to provide independent advice to the future government of Namibia in industrial policies, planning and strategy formulation;

(b) Provision of fellowships in field of industry and in-plant group training for Namibians, especially after the country's independence;

(c) Obtaining international technical assistance in the areas recommended above, drawing as much as possible on locally available expertise and subject to the priorities to be indicated by the future government of Namibia.

44. The Seminar noted a number of ongoing multi-agency regional technical assistance activities which Namibia may benefit from. In the industrial sector, these activities include the improvement of hides and skins, leather and leather product improvement and tannery rehabilitation schemes; environmental testing for telecommunications equipment; engineering design and manufacturing; petroleum industry training; and standardization and metrology.

VI. ENERGY

A. Nature and scope of dependence

45. The Seminar noted that the existing energy infrastructure and pricing policies were engineered, above all, to make mining profitable. There is almost a perfect grid between Namibia's power lines and major mines. Other main purposes of energy policy have been to service white settlers and fuel the military occupation of Namibia by South Africa. Most commercial energy - all oil products and all coal - is imported from South Africa.

46. It was further noted that the Namibian power utility, the South West Africa Water and Electricity Corporation (SWAWEK), essentially functions as a South African subsidiary. Prior to the 1970s, Namibia's electricity system depended on a number of coal-fired power stations. Today, it has been remodelled to depend on the central plant at Van Eck, now run on diesel; hydropower from Ruacana; and

imports from South Africa's ESCOM via a linkup to the Aggeneis transmission line. South Africa has made Walvis Bay entirely independent of the national grid and has installed the Paratus diesel/gas-fired power station as part of that grid.

47. The Ruacana station in the north utilizes resources of the Kunene River shared by Angola and Namibia at their common border, under an agreement worked out between the Portuguese and South African colonial authorities. South Africa buys power produced by Ruacana from Namibia, at prices fixed by ESCOM to be three times cheaper than Namibia's imports, through the interconnection of thermal power from South Africa.

48. The 200-MW ESCOM (Electricity Supply Commission) linkup, with double circuit line, completed in 1983, boosted total Namibian installed capacity to some 655 MW - four times national peak demand at the time. But the interconnection has been strategically convenient for South Africa, making up for shortfalls since Mozambique's Cahora Bassa is inoperative, and giving South Africa power to "switch off" the southern half of the Namibian national grid through the two substations at Mariental and Keetmanshoop.

49. While Namibia's vulnerability to energy interruptions is extremely high because of the interconnected grid, it is even more so with respect to oil products. Oil tankers dock at Walvis Bay, and gasoline for road transport comes from South Africa or through South African ports, then goes around to Walvis Bay.

50. Namibia does not have petroleum (oil and gas) legislation of its own. Licensing for exploitation of hydrocarbons in Namibia rests with the Government of South Africa, whose main interest has been the discovery of oil to alleviate its own shortfall. Recently the South West African Oil Corporation (SWACOR), a former subsidiary of South Africa's SOEKOR, has begun to pursue exploitation of a huge Namibia offshore gas deposit at Kudu.

51. Thus, transport and mining are the two sectors most susceptible to impact by reductions in energy supplies - power interruptions or delayed coal/oil product deliveries. It is worth stressing that, at the moment of independence, Namibian transport is 100 per cent dependent on petroleum imports from South Africa.

52. Namibia's black population, confined to the "homelands", depends on woodfuels, which are locally available in the north but not in the arid south. Approximately 300 sq km of forest were said to be cleared each year in "homelands" to supply woodfuels for subsistence agriculture and rural domestic use.

B. Conclusions and recommendations

53. The Seminar concluded that despite Namibia's heavy energy dependence on South Africa, potential domestic resources for satisfying energy needs exist in the country. They include uranium, coal, petroleum (oil and gas) both onshore and off, and still-untapped hydro potential through co-operation with its neighbours, especially Angola.

54. In the context of the present SADCC energy sector policies, the Seminar recommended that the independent government of Namibia should pay particular attention to developing the following subsectors:

(a) Woodfuel. An assessment should be made of Namibia's woodfuel situation, both urban and rural, and the extension of existing regional energy sector woodfuel programmes and projects to include Namibia;

(b) Electricity. The government of Namibia should promote the development of projects related to power-sharing with Angola under SADCC, including supply of border regions in Angola from Namibia; joint exploitation of the Cunene River Basin; and extension of the rural electrification programme, and maintenance and training projects which exist in the energy sector to include Namibia;

(c) Petroleum. The government of Namibia should initiate projects under the Joint SADCC Petroleum Exploration Programme, dealing with both onshore and offshore petroleum sources. Within the regional context such co-operation should also include the identification of an SADCC petroleum supply strategy where it might be possible to provide Namibia with oil products from the Luanda refinery; support to Namibia in formulating its own petroleum legislation; and inclusion of Namibia in the SADCC Energy Sector project on petroleum cost savings;

(d) Namibia should appeal to the international community and the specialized agencies of the United Nations system for financial, technical and other support for the development of its energy resources. At the regional level such support would be facilitated through:

(i) Namibia's inclusion in the existing SADCC energy programmes and projects indicated in each of the priority areas;

(ii) Realization of new energy projects to be formulated by Namibia itself and put forward through SADCC's regional Programme of Action, PTA and the Economic Commission for Africa (ECA), after it joins these organizations.

55. Action on the priorities indicated above, in woodfuel, electricity and petroleum would be instrumental in reducing Namibia's energy dependence on South Africa and promoting development of under-utilized domestic resources. Such action would also greatly enhance overall regional development of energy resources.

VII. TRANSPORT AND COMMUNICATIONS

A. Nature and scope of dependence

56. Namibia's transport system is at present very isolated from neighbouring independent African countries and is directly linked only to South Africa by land. The rail connection to South Africa has been given preference over cheaper sea routes. The axis of the whole system is south-north, reflecting the imperatives of South Africa's colonial rule, and east-west links have been largely neglected. Although the road system is well maintained, tarred roads connect only the main

economic centres, with the south-north highway between South Africa and Angola as the central spine. There is no comprehensive feeder road system connecting the central spine to the densely populated areas in the north and north-east.

57. The railway system, constructed mainly during the German colonial era, is also based on south-north traffic patterns and has never been extended northwards or eastwards despite several proposals in the past. This leaves Namibia's most populous region, the north, unserved by the railway network with a detrimental effect on economic integration. Many of the tracks, including those on branch lines, such as that from Seeheim to Lüderitz from the main Keetmanshoop to South Africa line, have never been relaid. There is no signalling system in use, while much of the locomotive fleet and rolling stock needs to be replaced by modern equipment.

58. The Atlantic coast has two functioning harbours, namely Walvis Bay and Lüderitz, but only the latter with its small existing capacity is at present under national control with continued access to Walvis Bay subject to future negotiations by an independent government of Namibia. Lüderitz is a shallow, rocky harbour lacking adequate communications links to the interior. It should be noted that Walvis Bay's capacity is presently limited to vessels of 23,000 tons or under, and the harbour requires regular dredging to keep it open. Limited water supplies are currently available for ports along the coast.

59. A limited regional and domestic air service is currently operated by Namib Air, which has yet to become a fully-developed national carrier as it has a small fleet of short-haul aircraft. All long-haul flights are at present operated by South African Airways (SAA) or require travelling to other regional hubs such as Lusaka in Zambia.

60. The telecommunications sector is modern, but the telephone network in the north and east is very limited, with some communications by radio link. International telecommunication links go via South Africa, with no independent microwave links to the outside world. Postal services are geared to the towns where most of the main post offices are located, while services in the rural areas are insufficient and facilities are largely lacking.

61. In the manpower field Namibia remains very dependent on existing, largely South African, personnel resources, and shortages in the technical and professional fields are already serious, with no black Namibians in senior positions. The Department of Transport has 60 per cent vacancies in the engineering and technician areas and air traffic controllers are in short supply. The railways and air services remain partly dependent on maintenance facilities in South Africa as much of the equipment is of South African origin. Namibia would be particularly vulnerable to a cut-off in spare parts by South Africa following independence.

B. Conclusions and recommendations

62. The Seminar concluded that Namibia's transport and telecommunications systems are isolated from the neighbouring countries of the region and directly linked to South Africa. Development of the domestic network, particularly in the rural areas and the northern region, is inadequate. Apart from the deep water port of Walvis Bay, Lüderitz is shallow, rocky and lacks adequate communications. Skilled manpower in the transport and telecommunications sectors is predominantly South African. Therefore, the Seminar recommended as follows:

Angola

(a) The three existing tarred roads to the border at Ruacana, Oshikango and Rundu provide the basis for the development of all-weather road links to Angola. The existing road from Oshikango to Lubango should be upgraded/rehabilitated while new roads and connecting ferry services should be developed at Ruacana and Rundu.

(b) The development of cross-border links with Angola should be accompanied by investigation of an appropriate feeder road system in northern Namibia, especially within Ovamboland.

(c) The feasibility of extending the existing rail network from Tsumeb or Outjo to connect with the Lubango-Namibe line within Angola should be investigated with the aim of providing an alternative rail outlet to the sea for northern Namibia. SADCC has already, during 1989, identified Namibe as a regional port within its transport and communications programme.

Botswana

(d) The existing SADCC project to connect Jwaneng in south-western Botswana with Mamuno on the Botswana/Namibia border should be extended to include upgrading to tarred standard of the 100-km stretch of gravel road from the border to just east of Gobabis to link up with the existing Namibian tarred network. A feasibility study on the Namibian section has been completed and Botswana has initiated construction of the first 80 km out of Jwaneng.

(e) Other possible road links should be looked into, including, for instance, from Aranos to south-west Botswana and from Bagani in north-east Namibia to Shakawe and Maun in north-west Botswana.

(f) The Trans-Kalahari railway line may be regarded as a viable major transport link for the whole region and should also be re-evaluated on an urgent basis as a means of reducing the dependence on the whole regional transport network of South Africa.

Zambia

(g) The upgrading of the remaining 360-km gravel stretch of the 540-km Rundu to Katima Mulilo road should proceed as a priority project to provide an all-weather link to western Zambia. Connection with the existing Zambian road

system at Sesheke or Wanela might require upgrading of the existing ferry service across the Zambezi River or construction of a bridge.

(h) The feasibility of building a railway line to connect Grootfontein with western Zambia via the Caprivi (750 km) should be investigated with a view to providing another major east-west transport link, connecting with the SADCC rail network via Livingstone.

(i) Ports. An urgent identification should be initiated of a regional port project for Namibia's Atlantic coast to maximize Namibia's outlets to world markets and provide an alternative trade route for land-locked or semi-land-locked countries (Botswana, Zambia, Zimbabwe and Zaire). This should cover possible upgrading of Swakopmund and/or Lüderitz to provide a bulk cargo handling facility. In addition, alternative harbour locations, such as Henties Bay, Cape Cross and Cape Fria, should be investigated. The existing SADCC Namibe regional port project should be widened to establish whether sufficient capacity would be created to handle part of Namibia's overseas trade. Namibia's position in negotiations over future access and/or status of Walvis Bay should be strengthened by the involvement of SADCC and the international community. The reservation of part of the harbour facilities for access by land-locked countries, as in West Africa, should be considered.

(j) Railways. Upgrading of the national railway system should be proposed for funding under SADCC in order to handle additional traffic loads, including rolling stock renewal, modernization of signalling and telecommunications equipment.

(k) Air links. The expansion of existing regional services operated by SADCC airlines to and from Namibia on a joint basis with the Namibian national carrier should be considered on an urgent basis. Namibia may require assistance to maintain sovereignty over its airspace falling mainly within the Windhoek flight information region.

(l) Telecommunications. A digital gateway exchange in Windhoek with transit facilities and a satellite earth station standard B should be established to provide direct telecommunications links with the outside world. Terrestrial microwave links to the north and east should also be constructed to link up to the Panaftel network via a regional hub in Lusaka which is already a defined SADCC project.

(m) Meteorology. The existing meteorological services in Namibia should be tied in with those of SADCC to improve autonomous Namibian air control and shipping capabilities.

(n) Manpower. Regional integration and expansion in the manpower area of the national transport sector should be undertaken through the Regional Training Council (RTC) of SADCC in order to provide adequate skilled manpower and assistance in promoting the Namibianization of the public transport system.

(o) The newly independent state of Namibia should consider establishing a national team, charged with the responsibility of reviewing Namibia's existing transport dependence and potential regional links in co-operation with SADCC. A

basis for this programme may be found in the existing studies in the transport sector, including a recent study on transport carried out by the Swedish International Development Authority for the United Nations Institute for Namibia in 1989.

(p) Namibia should seek urgent assistance through SADCC and the United Nations system to carry out specific feasibility studies concerning its transport and communications sectors in order to examine the priorities and options recommended above.

63. The Seminar also noted that the Trans-Kalahari line (see para. 62 (f)) would provide an alternative trade route to the Atlantic coast for the land-locked central and southern African countries and the traffic potential existing following any decision to mine Botswana's large coal reserves for export purposes.

VIII. MANPOWER DEVELOPMENT

A. Nature and scope of dependence

64. The Seminar noted that the manpower field is the backbone of every sector of the economy, and every sector is therefore affected by the extensive problems found in the manpower field. The large majority of trained managers, professionals, technicians, artisans, etc., have been South African trained, and some still retain their South African ties. There has been an exodus of this skilled personnel, some of whom are still leaving, but it is impossible to predict what the final outflow will be. Therefore it is difficult to be certain about the level of vacancies which will have to be filled after independence.

65. There are indications, however, that a significant core of skilled and experienced personnel will stay on and be committed to Namibia after independence.

66. Despite this, there will still be severe shortages of skilled and experienced manpower to run the Namibian economy after independence. Although local training institutions are developing, most of the current post-matriculation training is still done in South African institutions. Moreover, there is a lack of suitable candidates for post-matriculation training because of the inequitable resource allocation to the educational sector under South African rule.

B. Conclusions and recommendations

67. Namibia is likely to find itself at independence with some skilled South African personnel still in key positions of the economy, particularly in the mining sector. Dependence on this personnel cannot be severed overnight but will have to be progressively phased out. South African training facilities will still be utilized in the short term, until other alternatives (local, regional or international) become viable. The drawbacks of the past education policies can be rectified upon independence, but the effects will still be felt for some time.

68. The Seminar recommended the integration into SADCC and overall regional development as follows:

(a) The government of Namibia should restructure, develop and expand local training facilities to accommodate both local and regional manpower development needs;

(b) Namibia should, as a matter of urgency, determine the range of existing training facilities within SADCC and investigate the possibility of exchanging study programmes within the region (such as for example in the artisan fields and management skills);

(c) The possibility of personnel interchange and standardizing should be investigated in order to gain experience and exchange ideas (e.g. in agriculture or copper mining);

(d) Scholarships should be made available for training in the SADCC region. Organizations such as the African Development Bank (AfDB), the Commonwealth and so on could be encouraged to assist in this important area;

(e) Namibia should ensure immediate access to and utilization of regional training and research institutions such as the Eastern and Southern Africa Management Institute (ESAMI) and the Southern African Centre for Co-operation in Agricultural Research (SACCAR);

(f) Independent Namibia should take an active part in regional manpower development programmes, particularly the SADCC Regional Manpower Council;

(g) The need to develop the skills of the Namibian population is paramount. Therefore independent Namibia should develop programmes whereby remaining expatriate staff would be required to train and develop the skills of their juniors. At the same time, Namibians who are currently skilled should see it as their patriotic duty to partake in training efforts to increase the body of skilled Namibians;

(h) Independent Namibia should access available reports and studies (e.g. by the United Nations Institute for Namibia, mines, etc.) on manpower to identify possible deficiencies or shortcomings and initiate programmes to obtain updated and reliable information. Where necessary, additional research and a manpower survey could be undertaken;

(i) The government of Namibia should encourage training in the fields of science and mathematics through better vocational guidance and better career prospects and reward in these fields. Career advancement for Namibians would be promoted greatly from such training programmes;

(j) The government of Namibia should undertake programmes for the development of skills related to rural development and promotion of mass literacy;

(k) The government of Namibia should give its utmost attention to the creation of employment opportunities for the young and returning Namibians. Although increased interaction with the SADCC community may generate economic activity and employment in some fields, the unemployment problem will remain acute at the time of independence, at least in the short term;

(l) There will probably be certain fields in which shortages of skilled manpower can be met only by employment of expatriates, and the government of Namibia should recognize that this would become a very expensive exercise. Therefore, the government of Namibia should define clear policies and objectives regarding the employment of expatriates in order to ensure that the nation's best interests are always served.

IX. TRADE DEVELOPMENT

A. Nature and scope of dependence

69. The Seminar noted that Namibia's trade is almost totally dependent on South Africa. A large proportion of Namibia's trade goes through South Africa and Walvis Bay. The structure of production, ownership patterns, the transport system and administrative rules and procedures are all geared towards maintaining and enhancing the country's trade sector dependence on South Africa. Typical examples of such dependence are the following:

(a) Import and wholesale companies in Namibia are mostly South African-owned and naturally procure their supplies from South African factories;

(b) Namibia is compelled to depend on South Africa for pre-export processing of various products.

70. The foregoing economic stranglehold and production structure have led to a strong export and enclave orientation of the economy that has resulted in the export of unprocessed raw materials and outflow of as much as 30-40 per cent of gross domestic product into the foreign bank accounts of transnational corporations and South African corporations in the form of profits, dividends, remittances and capital transfers.

B. Conclusions and recommendations

71. The Seminar concluded that given the structure of Namibia's production, South Africa is not in fact a critical market for either Namibia's imports or exports, particularly the latter. The impact of aid programmes earmarked for the development of trade could be felt right from the short term to medium term. Except for South Africa's claim to Walvis Bay, Namibia is not a land-locked country and has access to external markets for its minerals and livestock products. In the short term, it could even diversify by finding reliable markets for its meat and mutton in Africa, the Middle East and Europe.

72. Namibia could renegotiate some of its trade agreements and transport facilitation arrangements with South Africa. But the emphasis of the country's reorientation of trade could be found in integration and co-operation arrangements with the countries of the region. The PTA will offer Namibia options of diversifying its imports and relevant expertise, as well as the use of the clearing-house facility, thus reducing its status of super-subordination to South Africa. Meanwhile, SADCC is poised to offer co-operation arrangements to the new Namibian state in all its sectors and particularly in the improvement of its transport network and linking it with the networks of its neighbours.

73. Accordingly, the Seminar recommended as follows:

(a) Independent Namibia should restructure its production in order to develop other potential resources in agriculture, fishing, wildlife and tourism, including processing of its currently exported raw materials such as diamond cutting, meat processing and the leather industry;

(b) The government of Namibia should commission investigations to review the structure of ownership patterns, administrative rules and procedures affecting trade and national customs and fiscal administration and autonomous investment policy (e.g., foreign investment codes) and policies to encourage domestic entrepreneurship;

(c) Independent Namibia should determine whether it will enter into negotiations within the South African Customs Union on the same terms as Botswana, Lesotho and Swaziland, or whether it will seek special arrangements in order to take into account its unique circumstances. This is an area in which Namibia should seek immediate assistance from the international community, including specialized agencies of the United Nations system;

(d) Independent Namibia should consider joining PTA in order to facilitate trade with its regional partners and to take advantage of the possibilities of market diversification and other trade arrangements, financial mechanisms (PTA, clearing-houses, PTA Trade and Development Bank) and enterprise co-operation through the PTA Chamber of Commerce. As far as SADCC is concerned, Namibia should build as soon as possible a capability of identifying and formulating projects for submission within SADCC programmes;

(e) Independent Namibia should examine how best to integrate its international trade into the international trading system, with a view to strengthening its external sector and taking advantage of the trade preferential arrangements to developing countries, e.g., the Lomé Convention (also access for example to the System for Stabilizing Export Earnings in the Mining Sector (SYSMIN), the financial assistance of the European Development Fund (EDF), the Generalized System of Preferences (GSP) of the United Nations Conference on Trade and Development (UNCTAD), and possibly the General Agreement on Tariffs and Trade (GATT));

(f) The new government might wish to negotiate bilateral trade agreements and other facilities such as counter trade with countries of the region and beyond.

X. WATER RESOURCES DEVELOPMENT

A. Nature and scope of dependence

74. The Seminar noted that in the water resources sector, Namibia's dependence on South Africa has had several direct and indirect effects, some of which stem from historical circumstances and others from South African policies.

75. One of the main aspects of the dependence concerns the utilization of the Orange River along the southern border with South Africa. The bulk of the river's flow emanates from South Africa and Lesotho, with virtually no contribution from Namibia because of the almost complete utilization of the waters in the Fish River and its tributaries. Namibia and South Africa have constituted a Joint Technical Committee for the equitable use of the waters of this river. Lesotho is expected to join this Technical Committee in the near future. Namibia has requested a 500 million cubic metres per year share of the water, but this is subject to formal renegotiation by the future government. In addition, the question of demarcating the international border is still outstanding. South Africa claims the north bank and Namibia would prefer the thalweg (that is, the deepest point of the river).

76. The training of most professional and technical personnel in the area of water services has been conducted at universities and technikons in South Africa, and not in Namibia. A further complicating factor is that the vast majority of water supply equipment in Namibia is purchased from or through South Africa. This includes construction equipment, drilling rigs, diesel pumps, windpumps and metering equipment.

77. The meteorological service in Namibia not only relies on South Africa for the training of staff but also is part of the synoptic meteorological forecasting system of South Africa and reports directly to the Weather Bureau in Pretoria.

78. An indirect result of colonial occupancy is that the first treaty concerning joint utilization of the waters of the Cunene River was drawn up in 1926 between Portugal (representing Angola) and South Africa. Later agreements (in 1964 and 1968) made provision for the development of the hydropower potential at Ruacana Falls and the construction of several dams on the Cunene River. These agreements and treaties may need to be reviewed between independent Namibia and Angola.

79. Another effect of dependence on South Africa is also seen in the unequal distribution of water supplies. This results from the political policy of apartheid which has led to the establishment of separate representative authorities responsible for their own administration, including the provision of water supplies. Because of the weakness of the representative authorities and the low per capita income of the inhabitants of the communal areas, water supplies are heavily subsidized and poorly developed. It is estimated that less than half of the population of the northern districts of Ovamboland, Kavango and the Eastern Caprivi has any access to safe water supplies. In addition, throughout the communal areas, the unequal distribution of stock-watering permits has led to widespread overgrazing and environmental degradation.

B. Conclusions and recommendations

80. The Seminar concluded that the heavy dependence of Namibia on food imports from South Africa merits a full evaluation of the potential for increasing irrigated agriculture for food production. At present, low priority is given to the development of irrigated agriculture even though this accounts for some 25 per cent of the total water demand.

81. There is adequate information and data available in Namibia for the planning of water resources development. However, the planning of regional projects, such as hydroelectric power development and intercountry water transfers, will depend to a very large extent on the accessibility of data on rivers originating in neighbouring countries, particularly those in southern Angola.

82. The majority of the rural population of Namibia does not have easy access to safe water supplies and also has very low levels of other services, including sanitation and electricity.

83. Though piped water supplies have been provided to "growth centres", including some communal lands, it is most unlikely that the service can be sustained by the various local authorities responsible for the operation and maintenance of the reticulation system without assistance from the central government.

84. The Department of Water Affairs and local authorities in the water sector have significant shortages of trained manpower in the professional and technical categories. There is an almost complete lack of black Namibian professional and technical staff in the water services sector.

85. It was also noted that at present there are at least five institutions responsible for the water sector in Namibia, namely, the Department of Water Affairs, SWAWEK, the Meteorological Service, municipalities, and ethnic administrations. However, there is no institution with a clearly stated mandate for rural water supplies in the country.

86. The Seminar therefore made the following recommendations:

(a) In view of the shortage of manpower, lack of indigenous staff and uncertainty concerning the permanency of current professional and technical staff in the civil service structures of independent Namibia, independent Namibia should accord the development of manpower a very high degree of priority. In this regard, the government of Namibia should carry out a manpower and training study in order to determine the current deployment of staff at all levels in the water sector with the ultimate aim of identifying the country's training needs and establishing staff training programmes;

(b) Independent Namibia should further consider exploring alternative avenues of training for professional and technical staff given the specialized nature of water technology and the relatively small number of trainees required in the long term. This could include using international, regional and subregional training courses reinforced by in-service training, and additional funds and external assistance should be secured;

(c) Feasibility studies should be undertaken for rural water supply programmes and phased rural water supply development implemented, particularly in northern and north-eastern Namibia. Such development should draw upon the experiences and lessons from rural water supply programmes in the region, and in particular the need to maximize the involvement of the target communities in the planning, implementation and management of rural water supply schemes. Particular attention should also be paid to the interrelationships between rural water supply, sanitation, primary health care, integrated rural development and income-generating schemes in implementing such schemes;

(d) Independent Namibia should evaluate all previous master plans and piped water supply projects from the point of view of appropriateness and relevancy of planning objectives for an independent country, community management and sustainability of development;

(e) Regional water transfers for domestic and agricultural water supply, particularly from Angola and Zambia into the northern half of Namibia, should be investigated for their technical and financial viability;

(f) In view of the high dependence of Namibia on South Africa in the energy sector, independent Namibia should embark on hydroelectric power development in conjunction with its SADCC neighbours. Bilateral or multilateral agreements should be negotiated for hydroelectric power developments on the Cunene, Okavango and Kwando rivers;

(g) Independent Namibia should consider carrying out socio-economic and technical feasibility studies to investigate the potential for expansion of irrigated agriculture with the ultimate aim of moving towards food self-sufficiency;

(h) In order to establish a suitable institutional framework for the development of national water resources of Namibia, the government of Namibia should undertake an assessment of all institutions involved in the water sector at all levels and if necessary carry out an institutional reorganization in order to establish institutions with effective national control of the water sectors;

(i) Independent Namibia should consider the negotiation of formal agreements with Angola concerning the joint use of the waters of the Cunene River and the joint development of the Cunene River and its tributaries. The same should apply with respect to other countries with which Namibia shares a river border;

(j) Alternative sources of water supply equipment should be investigated, bearing in mind the need for standardization in order to reduce problems of operation and maintenance;

(k) The government of Namibia should draw up a programme of action comprising, inter alia, a co-ordinating mechanism at the national level to avoid duplication and to optimize the inputs of the United Nations system, multilateral and bilateral aid organizations, non-governmental organizations and ongoing national and regional programmes;

(1) Within the context of SADCC, the joint development of the Cunene River (hydropower and water supply) and the Kavango River (water supply irrigation and pollution control) should be considered as additional programmes to the ongoing Zambezi Action Plan, into which Namibia should be integrated. The possibility of exchanging hydrological and related data among members of SADCC should also be considered as an aid to the joint development of common river basins.

XI. FINANCIAL AND MONETARY SYSTEM

A. Nature and scope of dependence

87. The Seminar noted that monetization and access to banking services are indispensable factors in the development process, particularly of developing countries. It was further accepted that the achievement of these two goals on a nation-wide scale rests upon the existence of financial institutions deliberately pursuing policies designed to promote the process of national development.

88. It was also noted that Namibia's financial system revealed a lopsidedness with regard to both the type of financial institutions that exist and their geographical distribution. Many of the financial institutions that exist cater exclusively for the urban areas, rendering services in an extremely conservative manner.

89. Furthermore, existing financial institutions (except building societies) fall under the South African Financial Institutions Act, thereby depriving Namibia of any possibility of monitoring or controlling this vital sector of the economy.

90. A few parastatal financial institutions, such as the First National Development Corporation, the National Building and Investment Corporation, the Development Fund of SWA/Namibia as well as the Private Sector Foundation, designed to wipe out the backlog in the provision of financial services, have emerged in the past few years. Despite this, independent Namibia will inherit a financial system that leaves much to be desired.

B. Conclusions and recommendations

91. The Seminar concluded that the underlying problem of the Namibian financial and monetary system is its integration into the South African financial system and the ensuing policies and practices.

92. The Seminar therefore recommended as follows:

(a) Independent Namibia should loosen itself from the South Africa-controlled Rand Monetary Area by establishing its own central bank and a national currency;

(b) To spearhead socio-economic development Namibia should also establish a national development bank with various sectoral-windows to cater for various socio-economic activities such as housing, agriculture, industry, etc. In due course the country could establish specialized banks, e.g. an agricultural development bank, a housing bank, etc.;

(c) Even more important, the government of Namibia should introduce, as a matter of urgency, its own financial institutions act so as to bring the entire financial sector in line with Namibia's development needs and priorities. In particular, emphasis should be put on the development of national financial institutions;

(d) To speed up such disengagement from South Africa, independent Namibia should engage in close co-operation with the SADCC and PTA countries, as well as obtain membership in the African Development Bank;

(e) Independent Namibia should make significant changes in the following areas:

(i) Increasing the country's banking and related services on a nation-wide scale;

(ii) Undertaking studies, and evaluating existing ones, on the financial system with a view to restructuring it to serve Namibian needs;

(iii) Passing an appropriate finance act covering the whole range of financial matters, thus dispensing with South Africa's Financial Institutions Act. Furthermore, legislation should be enacted governing the formation and regulation of financial and non-financial monetary institutions;

(iv) Establishing Namibia's own central bank as early as possible and a fully fledged national development bank;

(v) Speeding up the process of co-operation with SADCC and PTA countries as well as membership in the African Development Bank;

(vi) Attempting to create favourable conditions for the retention of capital in order to reduce the problem of capital flight.

Notes

1/ A/S-11/14, annex I.

Annex I

LIST OF PARTICIPANTS

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OFFICE OF THE UNITED NATIONS COMMISSIONER FOR NAMIBIA

Mr. Macaire Pédanou	Director and Officer-in-Charge

Annex II

LIST OF CONFERENCE ROOM PAPERS DISTRIBUTED AT THE SEMINAR

A/AC.131/HAR/CRP.1	The integration of Namibia into the economic structures of SADCC: A background paper by S. K. B. Asante and W. W. Asombang
A/AC.131/HAR/CRP.2	Regional economic integration options for independent Namibia by Ngila Mwase
A/AC.131/HAR/CRP.3	Industrial growth and development in Namibia: Prospects for internal growth and regional co-operation by Donald L. Sparks
A/AC.131/HAR/CRP.4/Rev.1	The role of the Southern Africa Transport and Communications Commission (SATCC) in integrating Namibia into the SADCC, by G. M. Mabila
A/AC.131/HAR/CRP.5	The manpower study on Namibia by Ngila Mwase
A/AC.131/HAR/CRP.6	Namibia and the SADCC energy sector by J. T. Carvalho Simoes
A/AC.131/HAR/CRP.7	Issues for household food security in an independent Namibia with reference to the SADCC by Shahida Azfar
A/AC.131/HAR/CRP.8	Development and conservation of Namibia's water resources and exploration of areas of regional co-operation to ensure adequate national water supply by Kenneth Edwards
A/AC.131/HAR/CRP.9/Rev.1	Restructuring of the Namibian mining sector to reduce dependence upon South Africa by C. M. Ushewokunze
A/AC.131/HAR/CRP.10	Restructuring the agricultural sector of Namibia to reduce its dependence on South Africa, ensure national food security and promote regional co-operation by T. E. C. Palmer
A/AC.131/HAR/CRP.11	Water conservation and development with special reference to Namibia by Inyambo L. Nyumbu

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A/AC.131/HAR/CRP.12	Restructuring the role of transnational corporations in the mining industry of Namibia by Finda Koroma
A/AC.131/HAR/CRP.13	Namibia's railway system - Future link to Africa by Klaus Dierks
A/AC.131/HAR/CRP.14	A statement by the representative of the Preferential Trade Area for Eastern and Southern African States, Francis M. Walusiku
A/AC.131/HAR/CRP.15	A statement by the representative of the World Food Programme, Donald Coutts
A/AC.131/HAR/CRP.16	Regional economic integration and co-operation with special reference to Namibia by Daniel B. Ndlela
A/AC.131/HAR/CRP.17	The SADCC food security programme by K. J. M. Dhliwayo
A/AC.131/HAR/CRP.18	Reduction of Namibia's dependence on South Africa in the transport and communications sector by Roger Murray
A/AC.131/HAR/CRP.19	A statement on mining by Kumumeni Enkara
A/AC.131/HAR/CRP.20	Labour/manpower development in the mining sector for an independent Namibia by Eino Ntinda
A/AC.131/HAR/CRP.21	The role of ADB group programmes in reducing the dependence of southern African countries on South Africa by Bisi Ogunjobi
A/AC.131/HAR/CRP.22	Capacity and capabilities of the Commonwealth Fund for Technical Co-operation (CFTC) and the Commonwealth Secretariat by J. B. Allie
A/AC.131/HAR/CRP.23	The post-white settler colonial situation in Namibia: Some preliminary observations by Ibbo Mandaza
A/AC.131/HAR/CRP.24	Namibia: Options for industrialization and the role of technical assistance with a view to regional integration by Klaus Billand
A/AC.131/HAR/CRP.25	Prospects for Namibia's fisheries and marine resources by Donald L. Sparks

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A/AC.131/HAR/CRP.26	Trade and regional co-operation for an independent Namibia by Fataki Liondjo
A/AC.131/HAR/CRP.27	Notes on the Namibian public sector before and after independence by Allan Hattle

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